




REPORT TO CABINET

13 December 2017

Subject:	Council Tax Base 2018/2019
Presenting Cabinet Member:	Councillor Steve Eling - Leader of the Council
Director:	Executive Director – Resources – Darren Carter

Contribution towards Vision 2030: 	 
Key Decision:	Yes
Forward Plan (28 day notice) Reference:	SMBC07/12/2017
Cabinet Member Approval and Date:	19 th October 2017
Director Approval:	17 th October 2017
Reason for Urgency:	Urgency provisions do not apply
Exempt Information Ref:	Not required
Ward Councillor (s) Consulted (if applicable):	Not required
Scrutiny Consultation Considered?	Scrutiny have not been consulted
Contact Officer(s):	Sue Knowles – Head of ICT and Revenues and Benefits sue_knowles@sandwell.gov.uk Ian Dunn – Revenues and Benefits Service Manager ian_dunn@sandwell.gov.uk Carl Jones- Senior Operations Manager Carl_jones@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Cabinet:

1. That Council be recommended to approve the Council Tax Base for 2018/2019 to be set at 72,206.05.

1 PURPOSE OF THE REPORT

- 1.1 To approve the council tax base for 2018/2019.

2 IMPLICATION FOR THE COUNCIL'S AMBITION

- 2.1 The Council Tax Base is an assessment by each billing authority of the number of chargeable dwellings, converted to Band D equivalents (the average band), allowing for discounts, exemptions, non-collection and new properties. This information is used when setting the Council's budget.
- 2.2 The Revenues and Benefits Service is the 2nd best performing metropolitan borough council in respect of Council Tax in-year collection.
- 2.3 This excellent performance maximises income levels for the council. It can therefore be argued that the recommendation in this report has implications for all 10 ambitions.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The Council Tax Base represents the amount that could be raised by the Council for every £1 of Council Tax that is levied in the Borough.
- 3.2 In order to calculate the Council Tax Base, it is necessary to take the actual number of properties in each Council Tax band on the valuation list and then make adjustments to these for the number which will be entitled to be exempt from the tax or attract a percentage discount from the tax, such as single person households as well as any adjustments to the Local Council Tax Reduction Scheme. In addition, assumptions need to be made for changes in the number of properties in each band between now and 31 March 2018 as a result of new builds and demolitions.
- 3.3 The adjusted numbers in each band are then converted to the equivalent number of band D properties.

- 3.4 At the time of presenting this report, Sandwell's 2018/2019 Local Council Tax Reduction Scheme has yet to be approved. Details of the Local Council Tax Reduction Scheme are contained within the Local Council Tax Reduction Scheme report to Cabinet on 13 December 2017. It is not anticipated that any changes will be made to the scheme which may adjust the assumptions made in the Council Tax Base calculation. The Council Tax Base for 2018/19 has been calculated as 72,935.41.
- 3.5 On 4 December 2012, the Council resolved to remove Council Tax exemptions on empty properties during the initial six months and also introduced an empty home premium of 150% for homes empty longer than two years. These changes introduced from 01 April 2013, are still applicable today. This results in an increase in the amount of collectable Council Tax which has been taken into account when setting the Council Tax base for 2018/19.
- 3.6 The adjusted Band D equivalent has to be reduced to reflect any anticipated losses on collection. Experience has shown that a 99% collection rate is ultimately achievable. The following shows the adjusted Council Tax Base for 2018/2019 at a collection rate of 99%:

<u>Collection Rate %</u>	<u>Tax Base</u>
99	72,206.05

- 3.7 The actual levels of Council Tax for 2018/2019 will be dependent upon final decisions yet to be taken on both Sandwell budgets and those of the precepting bodies, together with consideration of any surplus or deficit on the Collection Fund.

4. THE CURRENT POSITION

- 4.1 The council tax base for 2017/2018 was approved by Cabinet on 7 December 2016.
- 4.2 Assumptions made for the Council Tax base in the medium term financial strategy for 2017/18 of 71,217.34 are expected to be achieved.
- 4.3 During 2017/2018 the Revenues and Benefits Service carried out a review of long-term empty property. As a result of this activity we have reduced the number of unoccupied properties by 369, ensuring we maximise income which can be generated through the New Homes Bonus Scheme.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 Not required as the government mandates the formula used for calculating the Council Tax Base.

6 ALTERNATIVE OPTIONS

- 6.1 None.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 The Council Tax Base must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 and be determined between 1 December and 31 January of the financial year preceding the financial year to which it will apply.
- 7.2 The Council Tax Base is the measure of the number of dwellings to which council tax is chargeable in an area or part of an area. It is used for the purposes of calculating a billing authority's and major precepting authority's band D Council Tax.
- 7.3 Under the regulations, the Council Tax Base is the aggregate of the relevant amounts calculated for each valuation band multiplied by the authority's estimated collection rate for the year.
- 7.4 The relevant amounts are calculated as:
- a. The number of chargeable dwellings in each band shown on the valuation list on a specified day of the previous year
 - b. Adjusted for the number of discounts and reductions for disability that apply to those dwellings
 - c. Adjusted to take account of expected numbers of newly built and demolished dwellings for the coming year

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 The Council Tax Base must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 and be determined between 1 December and 31 January of the financial year preceding the financial year to which it will apply.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 An equality impact assessment is not required.

10 DATA PROTECTION IMPACT ASSESSMENT

10.1 The proposal is in line with data protection regulations.

11 CRIME AND DISORDER AND RISK ASSESSMENT

11.1 The proposal do not have any crime and disorder implications.

12 SUSTAINABILITY OF PROPOSALS

12.1 The calculation of the Council Tax Base assumes a 99% collection rate.

12.2 Experience has shown that a 99% collection rate is ultimately achievable, with in-year collection levels exceeding 98% regularly in recent years.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

13.1 From April 2015 Sandwell's Council Tax has included an amount for the provision of Adult Social Care as recommended by central government.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 No impact.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 The Council Tax Base must be calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012 to enable the base to be used in the calculation of Sandwell's Council Tax for 2018/2019 to be determined.

15.2 The regulations set out the methodology to be used by authorities when calculating their Council Tax Base. They further dictate that the Council Tax Base should be set between 1 December and 31 January prior to the financial year to which it refers.

15.3 The Council Tax Base recommended in this report assumes the following:

- There will be no changes made to Sandwell's Local Council Tax Reduction scheme for 2018/19.

- That the decision to apply 0% Council Tax discounts on empty properties and to apply an empty home premium of 150% for homes empty longer than two years, will continue throughout 2018/19.

15.4 The actual levels of Council Tax for 2018/19 will be dependent upon final decisions yet to be taken on both Sandwell budgets and those of the precepting bodies, together with consideration of any surplus or deficit on the Collection Fund.

16 BACKGROUND PAPERS

16.1 Sandwell CTB (October 2017) Return to The Department of Communities and Local Government.

17 APPENDICES:

None

Darren Carter
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